

Message Text

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PAGE 01 STATE 231494

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ORIGIN EB-03

INFO OCT-01 EUR-01 ISO-00 /005 R

66610

DRAFTED BY: EB:JMDERHAM:BM

APPROVED BY: EB-TOENDERS

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R 292030Z SEP 75

FM SECSTATE WASHDC

TO AMEMBASSY LONDON

UNCLAS STATE 231494

FOR DEPUTY ASST SECRETARY KATZ

FOLLOWING REPEAT TOKYO 13638 ACTION SECSTATE INFO GENEVA
MTN GENEVA OECD PARIS EC BRUSSELS 26 SEPT

QUOTE

UNCLAS TOKYO 13638

E.O. 11652: N/A

TAGS: ETRD, JA

SUBJECT: ANTI-DUMPING PROCEEDINGS: PRELIMINARY ITC REPORT

REF: TOKYO 13079

1. TEXT QUOTED BELOW APPEARED IN ENGLISH LANGUAGE DAILY
ASAHI EVENING NEWS SEPTEMBER 25HAFTERNOON EDITION DATELINED
WASHINGTON UNDER BYLINE OF HISASHI UJIIE, ASAHI SHINBUN
CORRESPONDENT. HIT IS MOST EXTENSIVE PUBLIC COMMENTARY ON
AUTO ANTIDUMPING CASE THAT HAS YET APPEARED HERE AND THE ONLY
INSTANCE WE HAVE SEEN OF IMPLICATION QH POLITICALLY MOTI-
VATED PRESSURE MIGHT BE BROUGHT UPON TREASURY.

2. BEGIN TEXT QTE WASHINGTON--PEOPLE IN THE AUTO INDUSTRY
HERE ARE WONDERING HOW SERIOUSLY THE DEPARTMENT OFHTHE
TREASURY WILL TACKLE THE ALLEGATIONS THAT IMPORTED CARS
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PAGE 02 STATE 231494

ARE BEING DUMPED IN THE U.S. THEY FEEL, HOWEVER, THE

INVESTIGATION ON THE CHARGES WILL HAVE A PSYCHOLOGICAL AS WELL AS POLITICAL IMPACT.

THE STATEMENT ISSUED BY THE DEPARTMENT CONCERNING THE START OF THE INVESTIGATION ALSO CONTAINED DOUBT WHERE IMPORTED CARS ARE ACTUALLY HURTPNG THE LOCAL AUTO INDUSTRY.

IT SAID, FOR INSTANCE, THAT THE INVESTIGATION WILL BE CONDUCTED ON THE APPEAL BY THE UAW AND THAT THE PROBE WILL BE CALLED OFF WHEN IT IS PROVED THAT THE "DU PING" WAS DUE TO A DROP IN THE VALUE OF THE DOLLAR.

HOWEVER, THE POLITICAL IMPACT OF THE INVESTIGATION MUST NOT BE OVERLOOKED.

WITH THE PRESIDENTIAL ELECTION NEARING, PRESIDENT FORD, WHO IS FROM MICHIGAN, MAY APPLY PRESSURE ON THE DEPARTMENT.

THERE IS A WIDE GAP IN OPINION BETWEEN THE UAW AND THE DEPARTMENT ON THE EXTENT OF THE DAMAGE THE AUTO INDUSTRY IS SUFFERING. THIS MEANS TYRE IS ROOM FOR A POLITICAL SETTLEMENT ON ASSESSING THE SERIOUSNESS OF THE DAMAGE.

OFFICIALS OF THE NEW YORK BRANCH OF THE JAPAN AUTOMOBILE MANUFACTURERS ASSOCIATION JUST BELIEVE THAT AMERICAN AUTOMAKERS ARE IRRITATED BY THE FACT THAT THE MARKET SHARE OF FOREIGN CARS IN THE U.S. HAS RISEN ABOVE 20 PERCENT.

WHILE CONVINCED THAT THE ALLEGATIONS WOULD BE CLEARED IN THE END, THE JAPANESE OFFICIALS FEEL IT WOULD BE ADVISABLE TO HOLD DOWN CAR EXPORTS TO THE U.S.

THE INVESTIGATION WILL BE CONDUCTED ON ALL CARS IMPORTED FROM EIGHT COUNTRIS INCLUDING JAPAN, WEST GERMANY AND FRANCE TO SEE IF THE CARS ARE BEING SOLD BELOW REASONABLE COSTS AND IF THE CARS ARE DAMAGING
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PAGE 03 STATE 231494

THE U.S. AUTO INDUSTRY.

THE TREASURY DEPARTMENT WOULD NOT HAVE STARTED THE INVESTIGATION IF THE INTERNATIONAL TRADE COMMISSION HAD RULED OUT THE ALLEGATIONS. YHCOMMISSION, HOWEVER, VOTED FOR THE INVESTIGATION BY FOUR TO TWO, INDICATING THAT IT WAS NOT POSITIVELY CONVICTED THAT THE ALLEGATIONS HAD GROUND.

SUPPORTING THE PREMISE IS THAT ONLY THE UNITED AUTO
WORKERS UNION (UAW) OPENLY CRITICIZED
FOREIGN COUNTRIES DURING PUBLIC HEARINGS.

WILLIAM EBERLE, PRESIDENT FORD'S FORMER SPECIAL
TRADE REPRESENTATIVE WHO IS CURRENTLY MANAGING DIRECTOR
OF THE AUTO MANUFACTURERS ASSOCIATION, ASSERTED THAT
THE SHARP INCREASE IN THE NUMBER OF THE UNEMPLOYMENT
RESULTED FROM COMPOUND EFFECTS OF A RECESSION, THE
OIL CRISIS AND THE DELAY IN THE SHIFT ON THE PART OF
AMERICAN AUTO MAKERS FROM COMPACT TO SUBCOMPACT CARS.

IN FACT, HE IMPLIED THAT THE EXTENT OF THE DAMAGE
TO THE AMERICAN AUTO INDUSTRY BY IMPORTED CARS MAY BE
ONE PERCENT OF THE WHOLE.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, ANTIDUMPING LAW (TRADE), AUTOMOBILES
Control Number: n/a
Copy: SINGLE
Draft Date: 29 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE231494
Document Source: CORE
Document Unique ID: 00
Drafter: EB:JMDERHAM:BM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750338-0167
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975098/aaaaagqs.tel
Line Count: 132
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 TOKYO 13079
Review Action: RELEASED, APPROVED
Review Authority: MartinML
Review Comment: n/a
Review Content Flags:
Review Date: 10 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 JUN 2003 by MaustMC>; APPROVED <11 FEB 2004 by MartinML>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ANTI-DUMPING PROCEEDINGS: PRELIMINARY ITC REPORT
TAGS: ETRD, JA, ITC
To: LONDON
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006